

CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

INFORMATION REPORT

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SUBJECT Yugoslav Program for the Expansion of Iron and Steel Facilities

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SUPPLEMENT TO
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1. Reportedly, [REDACTED] plans were being considered for a large-scale expansion of existing Yugoslav iron and steel processing facilities. 25X1C
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2. The steel mill at Zenica, in Bosnia, will be extensively enlarged under the new program. The construction there of a blooming mill will be followed by a 675 mm. break-down mill and by three stands of 550 mm. Belgium-type train. The break-down mill will be used for the rolling of 10,000 tons of billets for the other merchant mills. From the 550 mm. mill some 150,000 tons of sections such as angles, beams, channels, and rails will be produced. 4-EC
3. Another mill under consideration for the Zenica complex is a new rod mill for rolling rods from five to fourteen mm. in diameter at a rate of approximately 100,000 tons per year. This program, as far as Zenica is concerned, will mean that the ingot production there will have to be increased to approximately 400,000 tons per year. In order to accomplish this, three more open hearths will be required, each having a capacity of approximately 180 tons.
4. A 350 mm. jobbing mill is now on hand at Zenica and will be placed into production under the terms of the program.
5. Another project which is under consideration for Zenica is the installation of a four-high cold mill for rolling sheets one meter wide and two to two and one-half meters long. This mill would reduce single sheets rolled from existing Yugoslav hot mills and which are delivered in a thickness of approximately three millimeters. These would be rolled down by the cold mill to from 0.2 to 0.150 mm. in thickness. The sheets will be of silicon grade for the electrical industry and some will also be used for deep drawing materials.
6. The Yugoslavs are considering the immediate installation at Zenica of a Greenawalt sintering plant with a daily capacity of 1,250 tons. This capacity would later be expanded to a total of 2,500 tons per day. A Greenawalt system has been selected because the ores available contain 2 to 2.5 percent sulphur, which must be eliminated. The sinter will be used in the blast furnaces up to 80 percent of the burden. Since the Yugoslav ore contains a sizeable amount of moisture, it will have to be run through a drying oven or kiln before it may be sintered.

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7. As of April 1950 the Yugoslav officials responsible for the Zenica expansion were inclined to accept the offer made to them by the Swedish Greenawalt representative, since his proposal outlined a very satisfactory arrangement for the exhauster system. A previous proposal from a United States firm had called for two exhausters in a rather complicated sequence.
8. It is believed that for political reasons the Yugoslavs will, however, purchase the sintering plant directly from the Greenawalt office in the United States despite the fact that a complete set of detailed drawings has already been purchased from Sweden.
9. In addition, plans have been made for the purchase outside of Yugoslavia of drawings and equipment for the erection of three 180-ton open hearth tilting furnaces, together with the necessary charging machines, pouring cranes, and hot metal cranes.
10. Approximately 10 kilometers from Zenica a site has been selected for an entire new iron and steel integration. Four furnaces have been received from the Watenstedt works in Germany as reparations, and two of these furnaces will be erected on the new site.
11. A successful prosecution of the expansion program will necessitate an increase in the output of the Yugoslav mines. The ore deposits are located approximately 40 kilometers from Zenica, in and surrounding the town of Vares. There are two major outcroppings there which are estimated to hold approximately 60,000,000 to 80,000,000 tons of ore. The present annual production of 215,000 tons will have to be increased to the vicinity of 1,700,000 tons to meet the demands of the new program. First of all, however, some 170,000 tons of structural steel and rails, 100,000 tons of rod and merchant materials, and 100,000 tons of plate will have to be produced to expand the mining facilities.

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